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6-MONTH REPORT 2018

Results

Key Figures of 11880 Solutions Group at a glance

in EUR million	6M 2018	6M 2017	Variance absolute	Variance in percent
Revenues and earnings 11880 Solutions Group				
Revenues	20.8	20.4	0.4	2.2 %
EBITDA[1]	0.1	-0.7	0.8	–
Net loss	-2.2	-4.4	2.2	50.0 %
Details Segments				
Revenues Digital	14.7	13.2	1.5	11.5 %
EBITDA[1] Digital	0.5	-0.6	1.1	–
Revenues Directory Assistance	6.1	7.2	-1.1	-15.0 %
EBITDA[1] Directory Assistance	-0.4	-0.1	-0.3	–
Statement of financial position[2]				
Total assets	21.3	26.2	-4.9	-18.7 %
Cash Position[3]	2.8	6.0	-3.2	-52.9 %
Equity	11.6	14.0	-2.4	-17.1 %
Equity ratio (in percent)	54.4 %	53.4 %		
Cash flow				
Cash flow from operating activities	-1.0	-2.2	1.2	54.5 %
Cash flow from investing activities	1.6	2.4	-0.8	-35.0 %
Cash flow from financing activities	-0.1	0.0	-0.1	–
Net Cash flow[4]	-3.2	-3.2	0.0	0.0 %
Key figures for the 11880 share				
Earnings per share (in EUR)	-0.13	-0.23	0.10	43.5 %
Share price (in EUR)[5]	1.06	0.97	0.09	8.9 %
Market capitalisation	20.3	18.6	1.7	8.9 %
Other KPIs				
Number of Employees[6] Group	564	617	-53	-8.6 %

1 Earnings before interest, tax and depreciation
2 Compared to December, 31 2017
3 Portfolio of cash and securities at fair value through profit or loss
4 The net cash flow is calculated as the operating cash flow plus cash flow from investing activities minus interest expenses, adjusted for the changes in money market and bond funds.
5 XETRA-closing prices as of last trading day
6 Headcount as of June, 30 2018

Letter from the Management Board

Dear shareholders,
customers and business partners,

We can draw highly positive conclusions from the first half of the 2018 financial year. Our customer base in the Digital business rose by 11.5 percent to just under 29,000 by the end of June. In the first six months of the year, we acquired close to 7,000 new customers – a figure that far exceeds our internal forecasts. Most importantly, our revenue grew for the first time in almost a decade.

Our sales experts succeeded in adding more and more small and medium-sized companies for our diversified online packages. Understandably, this also contributed to the positive trend in traffic on our 11880.com and werkenntdenBESTEN.de portals. werkenntdenBESTEN in particular is becoming increasingly popular among users and surpassed all relevant market players in Google's Sistrix visibility index at the end of the first half of 2018.

In order to enhance the efficiency of these packages even further, particularly at the start, we extended our partner agreement with Google for another two years during the first half of 2018 and signed another cooperation agreement with Google's competitor Bing by Microsoft. Tailor-made search engine advertising campaigns can help companies to appear at the top of online searches, allowing customers to find them even faster.

In the Directory Assistance segment, we were forced to accept a market-driven decline in call volumes during the first half of the year as expected and accounted for in our forecasts. On the other hand, we succeeded in continuing to expand the call centre third-party business during the reporting period. One of the companies our experienced telephone experts have been providing customer services to since 2016 increased its order volume in spring 2018. We also impressed another large company with the quality of our service over a trial period lasting several months and are close to signing a long-term agreement with them. We are already in advanced discussions with two more potential new customers.

We were able to improve our cash flow slightly compared to the same period last year. Our personnel and rental costs and other operating expenses fell slightly again in the first half of the year.

The launch of our new job portal is planned for the second half of 2018. Like werkenntdenBESTEN, the new portal is an integrated portal that offers our 11880.com corporate customers the opportunity to contact suitable candidates easily, quickly and conveniently. Our customers are primarily small businesses without their own human resources department, which means we can offer them further significant support with this portal. At the same time, applicants can find job opportunities tailored precisely to their skills and experience. This new offering does not yet exist in Germany in this form, and we are confident that it will quickly become well established.

We also have some additional ideas for continuing to expand our digital offering and making it even more exciting for our target audience of small and medium-sized businesses. We are, of course, working on these ideas in a very focused and cost-conscious manner.

We are glad to have you, our shareholders, by our side as we turn around our company. At the start of the current financial year, Düsseldorf-based asset manager Rolf Hauschildt acquired the stake of our previous largest shareholder Italiaonline and held 10.2 percent of the Company's shares in February 2018. By June 2018, Rolf Hauschildt increased his stake to 15.2 percent, making him 11880 Solutions AG's largest shareholder.

Ladies and gentlemen, an exciting six months awaits us. We look forward to presenting another positive set of financial figures to you at the end of 2018. Thank you very much for your confidence in our work.

Essen, 3 August 2018

Christian Maar
Chief Executive Officer 11880 Solutions AG

Course of business, material events

The positive trend that had emerged last year continued in the first half of 2018. In the first six months of the current financial year, 11880 Solutions AG acquired 6,668 new customers in its Digital business. Small and medium-sized companies are increasingly being won over by the extensive and innovative product portfolio we have successfully established on the market in the last two years.

New customer growth for the first half of 2018 exceeded internal forecasts and gives the Company confidence that the positive trend in the Digital business will continue in the second half of the year.

In the first half of 2018, 11880 Solutions AG further extended its partnership with Google and signed a cooperation agreement with Microsoft's search engine Bing. Business owners can now combine their individual online package with search engine advertising to further improve their ranking in online searches, particularly when they are starting out.

The Company continued to develop a new integrated job portal during the reporting period. This new offering is due to be launched in the second half of 2018 and will enable 11880.com's corporate customers to publish job vacancies online reaching a broad audience. Conversely, 11880.com will search for suitable applicants and suggest them to its corporate customers. 11880 Solutions AG believes that this product will quickly become established given the acute skills shortage across Germany.

In the Directory Assistance segment, the market-related decline in call volumes continued in the first six months of the current financial year. 11880 Solutions AG is working successfully to offset this decline by continuing to expand the call centre third-party business. One existing corporate customer has increased its order volume, while another major company is entrusting its telephone-based customer service to 11880's specialist operators from September 2018. Promising negotiations with two further companies are also underway.

11880 Solutions AG CEO Christian Maar will remain at the helm of the Company in the coming years after extending his contract ahead of schedule until March 2022. This should give 11880 Solutions AG a foundation for successful development after the Company recorded sales growth this year for the first time in nine years in the wake of the restructuring measures introduced by Christian Maar at the start of his tenure.

The Annual General Meeting of 11880 Solutions AG was held at the Company's new headquarters in Essen on 12 June 2018. All agenda items were adopted with large majorities. The actions of both the Management and Supervisory Boards were formally approved with 99.78 percent of all votes. In addition, 99.58 percent of the votes present voted in favour of a Management Board resolution to create Authorised Capital I representing a maximum of ten percent of share capital and a Management Board resolution to create Authorised Capital II representing a maximum of 40 percent of share capital.

Ralf Ruhrmann (Oberhausen) and Helmar Hipp (Stuttgart) were appointed as new members of the Supervisory Board to replace former members Gabriella Fabotti and Antonio Converti, who resigned their posts in February 2018.

Financial situation

Results of operations

Consolidated revenues as of the 30 June 2018 reporting date were EUR 20.8 million (previous year: EUR 20.4 million). Looking at the year-on-year trend, absolute growth in the Digital segment at EUR 1.5 million more than offset the decline in the directory assistance business (EUR -1.1 million).

The consolidated cost of revenues was EUR 11.7 million in the first half of 2018, a decrease of 7 percent year-on-year (previous year: EUR 12.6 million). This cost reduction is primarily due to lower personnel expenses and depreciation and amortisation.

Selling and distribution costs were reduced from EUR 7.7 million to EUR 7.0 million, a EUR 0.7 million or 9 percent improvement. This was achieved mainly by reducing personnel expenses and general administrative expenses in Sales.

At EUR 4.8 million, general administrative expenses incurred in the first six months remained stable year-on-year.

Consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) improved by EUR 0.8 million year-on-year, from EUR -0.7 million to EUR 0.1 million. Earnings after taxes at the half-year mark were EUR -2.2 million (previous year: EUR -4.4 million). Overall, revenue increased by EUR 0.4 million year-on-year, while at the same time revenue as well as selling and general and administrative expenses were reduced by a total of EUR 1.5 million.

Net assets and financial position

Capital expenditures

Capital expenditures in the first half of 2018 totalled EUR 2.0 million (previous year: EUR 2.4 million). Expenditures focused on product improvements and innovations in the Digital segment. Total capital expenditures also include capitalised sales commission of EUR 1.4 million (previous year: EUR 0.8 million).

Statement of financial position

As of 30 June 2018, total assets amounted to EUR 21.3 million, showing a decrease of EUR 4.9 million compared with 31 December 2017 (31 December 2017: EUR 26.2 million).

On the assets side of the statement of financial position, current assets declined from EUR 17.9 million as of 31 December 2017 to EUR 12.8 million. This was due mainly to the EUR 3.6 million decrease in financial assets measured at fair value through profit or loss. As of 30 June 2018, the 11880 Solutions Group had investments in short-term money market and bond funds that are reported as financial assets measured at fair value through profit or loss. The fair value of these investments was EUR 1.7 million (31 December 2017: EUR 5.3 million). The decrease in trade accounts receivable by EUR 1.1 million, from EUR 9.7 million as of 31 December 2017 to EUR 8.6 million, was attributable mainly to the declining directory assistance business.

As of the reporting date, the Group had non-current assets worth EUR 8.5 million (31 December 2017: EUR 8.2 million). The addition of EUR 0.3 million mainly stemmed from the increase in intangible assets.

On the liabilities side, current liabilities decreased by EUR 2.2 million, from EUR 11.4 million as of 31 December 2017 to EUR 9.2 million. Accrued current liabilities fell from EUR 5.5 million to EUR 3.7 million, primarily due to the decrease in provisions for personnel.

The 11880 Solutions Group has no significant non-current liabilities, no liabilities in foreign currencies and no loan liabilities to banks.

Equity declined by EUR 2.4 million to EUR 11.6 million compared to 31 December 2017 (31 December 2017: EUR 14.0 million) due mainly to the net loss for the period.

Cash flow & financing

Cash flow from operations in the first half of 2017 amounted to EUR -1.0 million, compared to EUR -2.2 million during the prior-year period.

The cash inflow from investing activities in the first six months amounted to EUR 1.6 million (previous year: EUR 2.4 million). The cash flow from investing activities includes the sale of money market funds and bond funds. The year-on-year decrease in cash inflow is attributable mainly to increased payments for sales commissions.

The cash flow from financing activities was EUR -0.1 million in the first six months (previous year: EUR 0.0 million).

Cash holdings

Cash holdings (cash and current financial assets measured at fair value through profit or loss at the end of the period) declined from EUR 6.0 million to EUR 2.8 million compared with 31 December 2017, which was in line with the budget. The decrease in cash holdings by EUR 3.2 million (net cash flow) corresponds to the sum of the negative cash flow from operating activities of EUR -1.0 million, the cash flow from investing activities of EUR -2.1 million adjusted for the sale of fund shares and the cash flow from financing activities of EUR -0.1 million.

Segment report

At EUR 14.7 million, revenues in the Digital business were up year-on-year (previous year: EUR 13.2 million). The Digital business now accounts for around 71 percent of total revenue (previous year: 64 percent). Six-month earnings (EBITDA) as of the reporting date were EUR 0.5 million (previous year: EUR -0.6 million).

The traditional directory assistance business accounted for EUR 6.1 million of total revenues (previous year: EUR 7.2 million). The decrease in this segment was slightly higher than in the previous year (EUR 1.0 million). Six-month earnings (EBITDA) as of the reporting date were EUR -0.4 million (previous year: EUR -0.1 million).

Outlook

Digital segment

After 2017 saw the establishment of the newly developed product portfolio and activities to promote collaboration between the Digital and Directory Assistance divisions, the strategic focus in 2018 will be on further customer-led optimisation of the existing product range and the introduction of new products and services. In the area of new customer business, the 11880 Solutions Group is working on a continued, noticeable increase in the 2018 financial year. The 11880 Solutions Group is committed to building on its success in 2017 and achieving a significant increase in the customer portfolio in 2018, too.

Overall, the 11880 Solutions Group plans to once again generate revenues within a range from EUR 29.1 to EUR 30.3 million in the Digital segment in 2018. In 2017, segment revenues were EUR 26.9 million.

In the Digital segment, the 11880 Solutions Group expects to post EBITDA within the range of EUR 0.3 to EUR 1.4 million in the 2018 financial year. By means of comparison, the figure for the last financial year was EUR -1.4 million.

Directory Assistance segment

In the Directory Assistance segment, the 11880 Solutions Group anticipates that the negative trend with respect to call volumes in Germany will also persist in 2018. New business models, primarily in connection with call centre services, have already been implemented to a small extent to optimally offset the decline in business volume and ensure long-term success.

The 11880 Solutions Group expects the Directory Assistance segment to generate flat revenues in the range of EUR 10.7 to EUR 12.9 million in 2018. In 2017, segment revenues were EUR 14.4 million.

In terms of the development of earnings, the 11880 Solutions Group continues to plan posting EBITDA of around EUR 0.1 to 1.0 million for the Directory Assistance segment in 2018. In 2017, EBITDA amounted to EUR -0.9 million.

Group

At group level, the 11880 Solutions Group expects to post revenues of EUR 39.8 to EUR 43.2 million in 2018. In comparison, revenues were generated in the amount of EUR 41.3 million in 2017. The 11880 Solutions Group also continues to expect EBITDA in 2018 to be in the range of EUR 0.4 to EUR 2.4 million. In comparison, the Company generated EBITDA in the amount of EUR -2.3 million in 2017.

Cash holdings

The planning of the 11880 Solutions Group continues to assume positive cash holdings of between EUR 1.2 and EUR 3.2 million as of the end of the 2018 financial year. Cash holdings at the end of 2017 amounted to EUR 6.0 million.

Employees

On 30 June 2018, the 11880 Solutions Group had 564 employees (head count; excluding Management Board, trainees, "mini-jobs" and dormant employment contracts). Year-on-year, this represents a decline of 9 percent (previous year: 617).

Comparability of disclosures

The 6-month report for 2018 and the consolidated financial statements for the year ended 31 December 2017 have been published on the 11880 Solutions AG website at: https://ir.11880.com/finanzberichte.

Essen, 3 August 2018
The Management Board

Christian Maar
Chief Executive Officer

Responsibility statement

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group in the remaining months of the financial year."

Essen, 3 August 2018
The Management Board

Christian Maar
Chief Executive Officer

Interim Consolidated Financial Statements

Consolidated income statement (IFRS)

in EUR thousand	Quarterly Report (unaudited) 01.04 – 30.06.2018	Quarterly Report (unaudited) 01.04 – 30.06.2017	6-Month Report (unaudited) 01.01 – 30.06.2018	6-Month Report (unaudited) 01.01 – 30.06.2017
Revenues	10,280	9,977	20,844	20,395
Cost of revenues	-5,912	-6,176	-11,722	-12,627
Gross profit	**4,368**	**3,801**	**9,122**	**7,768**
Selling and distribution costs	-2,989	-4,060	-7,040	-7,654
General administrative expenses	-2,317	-2,373	-4,780	-4,801
Other operating income	0	1	0	1
Other operating expense	-70	4	-71	-1
Operating income (loss)	**-1,008**	**-2,627**	**-2,769**	**-4,687**
Interest income	0	82	0	105
Interest expense	-3	-6	-6	-11
Gain (loss) from marketable securities	121	22	266	35
Gain (loss) on foreign currency translation	0	-1	0	-1
Financial income (loss)	**118**	**97**	**260**	**128**
Income (loss) before income tax	**-890**	**-2,530**	**-2,509**	**-4,559**
Current income tax	44	-1	44	-1
Deferred income tax	217	33	217	174
Income tax	**261**	**32**	**261**	**173**
Net income (loss) from continuing operations	**-629**	**-2,498**	**-2,248**	**-4,386**
Net income (loss)	**-629**	**-2,498**	**-2,248**	**-4,386**
Attributable to:				
Owners of the parent	-629	-2,498	-2,248	-4,386
	-629	-2,498	**-2,248**	-4,386
Earnings per share for net income (loss) for the reporting period attributable to ordinary equity holders of the parent (in euro)	-0.04	-0.13	-0.13	-0.23
Earnings per share for continuing operations for net income (loss) for the reporting period attributable to ordinary equity holders of the parent (in euro)	-0.04	-0.13	-0.13	-0.23

See accompanying notes to the consolidated financial statements.

Consolidated statement of comprehensive income (IFRS)

in EUR thousand	Quarterly Report (unaudited) 01.04 – 30.06.2018	Quarterly Report (unaudited) 01.04 – 30.06.2017	6-Month Report (unaudited) 01.01 – 30.06.2018	6-Month Report (unaudited) 01.01 – 30.06.2017
Net icome (loss)	**-629**	**-2,498**	**-2,248**	**-4,386**
Other comprehensive income (loss)				
Items that can be reclassified subsequently to profit or loss				
Securities at fair value through profit or loss - Changes of the fair value, net	-45	23	0	66
Securities at fair value through profit or loss - Reclassification to profit os loss	106	-15	0	-30
Foreign currency translation differences	0	1	-1	1
Other comprehensive income (loss) after tax	**60**	**9**	**-1**	**37**
Total comprehensive income (loss)	**-569**	**-2,489**	**-2,249**	**-4,349**
Thereof from:				
Continuing operations	-569	-2,489	-2,249	-4,349
	-569	**-2,489**	**-2,249**	**-4,349**
Attributable to:				
Owners of the parent	-569	-2,489	-2,249	-4,349
	-569	**-2,489**	**-2,249**	**-4,349**

See accompanying notes to the consolidated financial statements.

Consolidated statement of financial position (IFRS)

in EUR thousand	30. June 2018 (unaudited)	30. June 2017 (unaudited)	31. December 2017
ASSETS			
Current assets			
Cash	1,011	994	523
Restricted cash	94	0	185
Trade accounts receivable	8,637	9,098	9,684
Current tax assets	110	79	97
Securities at fair value through profit or loss	1,723	6,288	5,302
Other financial assets	118	206	149
Other current assets	1,118	2,284	1,966
Total current assets	**12,811**	**18,949**	**17,906**
Non-current assets			
Goodwill	3,489	3,489	3,489
Intangible assets	4,032	4,743	3,555
Property and equipment	876	1,410	1,166
Other financial assets	0	2	0
Other non-current assets	76	0	4
Deferred tax assets	0	4	26
Total non-current assets	**8,473**	**9,648**	**8,240**
Total assets	**21,284**	**28,597**	**26,146**

in EUR thousand	30. June 2018 (unaudited)	30. June 2017 (unaudited)	31. December 2017
LIABILITIES AND EQUITY			
Current liabilities			
Trade accounts payable	703	628	435
Accrued liabilities	3,699	4,357	5,492
Provisions	373	39	242
Other current liabilites	4,465	3,153	5,238
Total current liabilities	**9,240**	**8,177**	**11,407**
Non-current liabilities			
Provisions	154	542	139
Provisions for retirement benefits	176	243	176
Deferred tax liabilities	162	495	472
Total non-current liabilities	492	1,280	787
Total liabilities	**9,732**	**9,457**	**12,194**
Equity			
Share capital	19,111	19,111	19,111
Additional paid in capital	32,059	32,059	32,059
Retained earnings	-39,612	-32,166	-37,364
Other components of equity	-5	136	146
Equity attributable to owners of the parent	11,553	19,140	13,952
Total equity	**11,553**	**19,140**	**13,952**
Total liabilities and equity	**21,284**	28,597	26,146

See accompanying notes to the consolidated financial statements.

Consolidated statement of cash flows (IFRS)

in EUR thousand	1.1. – 30.06.2018	1.1. – 30.06.2017
	(unaudited)	(unaudited)
Cash flow from operating activities		
Income (loss) before income tax from continuing operations	-2,509	-4,559
Income (loss) before income tax	-2,509	-4,559
Adjustments for:		
Depreciation and impairment of intangible assets	2,469	2,213
Depreciation and impairment of property and equipment	374	485
Depreciation of current intangible assets	0	1,285
Gain (loss) on disposal of property and equipment	21	1
Interest income	0	-105
Interest expense	6	11
Gain (loss) from marketable securities	-268	-35
Gain (loss) on foreign currency translation	0	1
Valuation allowance for trade accounts receivable	-409	-742
Changes in non-current provisions	14	-56
Changes in non-current other and financial assets	-73	0
Operating loss before changes in operating assets and liabilities	**-376**	**-1,501**
Changes in operating assets and liabilities:		
Trade accounts receivable	1,455	1,672
Current intangible assets	1,186	-1,237
Miscellaneous current assets	-1,140	-234
Trade accounts payable	288	201
Current provisions	131	-33
Accrued expenses and other current liabilities	-2,565	-1,139
Income taxes received / paid	32	52
Cash used in operating activities	**-987**	**-2,219**

in EUR thousand	1.1. – 30.06.2018	1.1. – 30.06.2017
Cash flow from investing activities		
Purchase of intangible assets excl. customer contracts	-596	-909
Purchase of customer contracts with contract period > 1 year	-1,357	-16
Proceeds from sale of intangible assets	1	0
Purchase of property and equipment	-105	-252
Proceeds from sale of property and equipment	1	1
Disposal of securities at fair value through profit or loss	3,627	3,490
Interest received	0	105
Cash provided by investing activities	**1,571**	**2,419**
Cash flow from financing activities		
Disbursement for security deposit	-91	0
Interest paid	-5	-6
Cash used in financial activities	**-96**	**-6**
Effect of exchange rate changes on cash	**0**	**-1**
Change in cash	**488**	**193**
Cash at the beginning of reporting period	**523**	**801**
Cash at the end of reporting period	**1,011**	**994**
Cash as well as securities at fair value through profit or loss at the end of reporting period	2,828	7,282

See accompanying notes to the consolidated financial statements.

Consolidated statement of changes in equity (IFRS)

in EUR thousand	Equity attributable to owners of the parent						
	Share capital	Additional paid in capital	Retained earnings	Other components of equity	Total	Non controlling interests	Total equity
Balance at 01.01.2018	**19,111**	**32,059**	**-37,364**	**146**	**13,952**	**0**	**13,952**
Net icome (loss)	–	–	-2,248	–	-2,248	–	-2,248
Actuarial gains (losses) from pensions and similar obligations	–	–	–	–	–	–	–
Securities at fair value through profit or loss	–	–	–	-150	-150	–	-150
Foreign currency translation	–	–	–	-1	-1	–	-1
Other comprehensive income (loss)	**0**	**0**	**0**	**-151**	**-151**	**0**	**-151**
Total comprehensive income (loss)	**0**	**0**	**-2,248**	**-151**	**-2,399**	**0**	**-2,399**
Balance at 30.06.2018	**19,111**	**32,059**	**-39,612**	**-5**	**11,553**	**0**	**11,553**
Balance at 01.01.2017	**19,111**	**32,059**	**-27,780**	**99**	**23,489**	**0**	**23,489**
Net income (loss)	–	–	-4,386	–	-4,386	–	-4,386
Actuarial gains (losses) from pensions and similar obligations	–	–	–	–	–	–	–
Securities at fair value through profit or loss	–	–	–	36	36	–	36
Foreign currency translation	–	–	–	1	1	–	1
Other comprehensive income (loss)	**0**	**0**	**0**	**37**	**37**	**0**	**37**
Total comprehensive income (loss)	**0**	**0**	**-4,386**	**37**	**-4,349**	**0**	**-4,349**
Balance at 30.06.2017	**19,111**	**32,059**	**-32,166**	**136**	**19,140**	**0**	**19,140**

See accompanying notes to the consolidated financial statements.

Notes to the interim consolidated financial statements

1. Presentation of the interim consolidated financial statements

The business operations of 11880 Solutions AG (hereinafter also referred to as the Company) and its subsidiaries comprise the provision of telecommunications services of all kinds, the design and marketing of information databases and marketing advertisements, the provision of online marketing services, the provision of DA services (directory assistance services) about the subscribers of public telephone networks as well as other DA services in Germany and abroad.

11880 Solutions AG is a listed stock corporation under German law domiciled in Fraunhoferstrasse 12a, 82152 Planegg-Martinsried, Germany, and has been registered in the Commercial Register of the Munich Local Court, Germany, under registration number HRB 114518. The Annual General Meeting on 12 June 2018 adopted a resolution to transfer the registered office of 11880 Solutions AG from Planegg-Martinsried to Essen. The amendment to the Articles of Association was filed at the Commercial Register of the Munich Local Court on 12 June 2018.

These condensed interim consolidated financial statements of 11880 Solutions AG and its subsidiaries were prepared for the first six months ended 30 June 2018 in accordance with the International Financial Reporting Standards (IFRSs) – as applicable in the European Union.

All International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) as well as the interpretations of the IFRS Interpretations Committee (IFRIC) and the interpretations of the Standing Interpretations Committe (SIC) whose application was mandatory as of 30 June 2018 were taken into account.

The interim consolidated financial statements were prepared in accordance with IAS 34 Interim Financial Reporting and should be read in the context of the audited consolidated financial statements for the 2017 financial year.

The consolidated financial statements of the 11880 Solutions Group (hereinafter also the 11880 Solutions Group / the Group) are presented in euros (EUR). Unless stated otherwise, all values were rounded to thousands of euros (EUR thousand).

The interim consolidated financial statements are generally prepared using the historical cost system.

The interim consolidated financial statements have not been audited. They were released for publication by the Company's Management Board on 3 August 2018.

The consolidated financial statements and the group management report prepared as of 31 December 2017 were submitted with the publisher of the Federal Gazette and published electronically in the Federal Gazette.

2. Changes in accounting policies

The accounting policies applied in the interim consolidated financial statements are consistent with those applied in the consolidated financial statements for the 2017 financial year, except for the changes explained below.

IFRS 9 – Financial Instruments

IFRS 9 was issued by the IASB on 24 July 2014 and adopted by the EU on 22 November 2016. The new rules generally replace those in IAS 39 – Financial Instruments: Recognition and Measurement. The provisions of IAS 32 – Financial Instruments: Presentation and IFRS 7 – Financial Instruments: Disclosures must continue to be applied with adjustments to comply with the new rules in IFRS 9.

In particular, the new standard IFRS 9 Financial Instruments contains thoroughly reworked rules concerning the classification and measurement of financial instruments, accounting for impairment of financial assets and hedge accounting. In addition to the fair value through profit or loss (FVtPL) and amortised cost (AC) measurement categories, the standard stipulates a third classification: fair value through other comprehensive income (FVOCI). To simplify matters, financial assets are assigned to the individual categories as equity instruments, derivatives and debt instruments based on the individual instruments' underlying business model and cash flow characteristics.

The model for determining impairments and recognizing risk provisions changes from an incurred credit loss model to an expected credit loss model. Under the new provisions on impairment losses, expected losses have to be recognized on initial recognition. In addition, the requirements apply not only to debt instruments, but also to contract assets in accordance with IFRS 15.

Among other things, the new rules on the recognition of hedging relationships allow the costs of hedging to be recognized separately in other comprehensive income.

The implementation of IFRS 9 also results in more extensive disclosures in the notes than was the case with IAS 39.

Initial mandatory application of IFRS 9 Financial Instruments is stipulated for annual periods beginning on or after 1 January 2018. Earlier voluntary application is permitted.

The effects of IFRS 9 are explained in detail in section 7 below.

IFRS 15 Revenue from Contracts with Customers
The IASB issued the new standard IFRS 15 Revenue from Contracts with Customers in May 2014. The standard was adopted by the EU in September 2016. IFRS 15 mainly replaces IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 triggers the application of an amended model for revenue recognition and measurement. The core principle of IFRS 15 is to require an entity to recognise revenue in the amount in which it expects to receive consideration for the assumed performance obligations, i.e. the transfer of goods and provision of services. To implement this core principle, IFRS 15 sets out a uniform principle-based five-step model that is to be applied to all contracts with customers. Revenue must be recognised when the customer receives control over and can obtain benefits from the agreed goods and services.

In September 2015, the IASB published an amendment standard concerning the date of initial application, thus confirming the postponement of the effective date of IFRS 15 by one year to 1 January 2018. Voluntary earlier application of the provisions is permitted.

The amendments affect the Group's net assets, financial position and results of operations.

Clarifications to IFRS 15 Revenue from Contracts with Customers
The amended standard includes clarifications on the following issues in IFRS 15:

- Identification of performance obligations
- Classifying a company as a principal or an agent
- Revenue from granting licences
- Relief provisions for first-time application

The amendments were issued in April 2016 and must be applied for the first time for reporting periods beginning on or after 1 January 2018. Earlier application is permitted.

The amendments affect the Group's net assets, financial position and results of operations.

Amendments to IFRS 2 Share-based Payment – Classification and Measurement of Share-based Payment Transactions
These amendments include the following clarifications and/or revisions:

- Effects of vesting conditions on the measurement of a cash-settled share-based payment transaction
- Classification of share-based payment transactions with net settlement features, i.e. free of withholding tax
- Accounting for modifications to share-based payment transactions from cash-settled to equity-settled

The amendments were issued in June 2016 and must be applied to transactions granted or amended in annual periods beginning on or after 1 January 2018. Earlier application is permitted. Retrospective application is only permitted if this is possible without the use of hindsight.

The amendments do not materially affect the Group's net assets, financial position and results of operations.

IFRIC 22 Advance Consideration in Connection with Foreign Currency Transactions

This interpretation clarifies the exchange rate used when reporting foreign currency transactions in a company's functional currency for the first time if the company makes or receives advance payments for the transaction's underlying assets, expenses or income.

The interpretation was issued in December 2016 and adopted by the EU in March 2018. IFRIC 22 must be applied for the first time for reporting periods beginning on or after 1 January 2018. Earlier voluntary application is permitted.

The amendments do not affect the Group's net assets, financial position and results of operations.

Annual improvements to IFRS – 2014-2016 cycle

These include clarifications concerning:

- IAS 28 Investments in Associates and Joint Ventures
- IFRS 12 Disclosure of Interests in other Entities
- IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendments were issued in December 2016 and adopted by the EU in February 2018. The date of mandatory application is 1 January 2018 for amendments to IFRS 1 and IAS 28 (with voluntary early application with regard to IAS 28) and 1 January 2017 for amendments to IFRS 12.

The amendments do not affect the Group's net assets, financial position and results of operations.

3. Future changes in accounting policies

Amendments to IFRS 9 Financial Instruments – Prepayment Features with Negative Compensation

The amendments to IFRS 9 cover the classification of certain financial instruments with negative prepayment features. Under certain circumstances prepayable financial assets with negative compensation may be carried at amortised cost or at fair value in other comprehensive income instead of at fair value through profit or loss. The amendments also clarify the accounting treatment of financial liabilities that are modified as a result of restructuring measures.

The amendments were issued in October 2017 and adopted by the EU in March 2018. They must be applied to annual periods beginning on or after 1 January 2019. Earlier application is permitted.

The amendments do not materially affect the Group's net assets, financial position and results of operations.

IFRS 16 Leases

In January 2016, the IASB issued the new standard IFRS 16 on lease accounting, which was endorsed by the EU in October 2017. IFRS 16 Leases primarily supersedes IAS 17 Leases and the associated interpretations, IFRIC 4, SIC-15 and SIC-27.

Under IFRS 16, lessees no longer classify leases as operating or finance leases. Instead, a uniform accounting model is applied for lessees, whereby all leases must now be recognised in the form of a right-of-use asset and a corresponding lease liability at the present value of the minimum lease payments. Consequently, the right-of-use asset must be depreciated over the lease term on a straight-line basis, while the lease liability must be measured at the present value of the lease payments still outstanding at initial recognition. A uniform presentation is made in the income statement in which a depreciation charge is continuously recognised for each lease agreement and interest expense is allocated over the lease term. While a lessee is no longer required to classify a lease as either a finance lease or an operating lease, IFRS 16 still requires lessors to do so.

IFRS 16 must be applied for the first time for annual periods beginning on or after 1 January 2019. Early application is permitted if the entity also applies IFRS 15 Revenue from Contracts with Customers at that time.

The 11880 Group will apply the new standard from 1 January 2019. IFRS 16 is not expected to be applied fully retrospectively for the first time, but in accordance with the simplification rule, using the modified retrospective method, i.e. without adjusting the comparative period. Any conversion effects are recognised cumulatively in other components of equity.

Existing contracts potentially to be measured pursuant to IFRS are identified and divided into corresponding contract groups in a comprehensive contract analysis. This is followed by a more detailed examination of the individual contract groups based on materiality to determine possible recognition. The Company plans to discount the payment obligations from previous operating leases qualifying for recognition at the corresponding incremental borrowing rate of interest when it transitions to the new regulations.

We are currently analysing the contracts with regard to the exercise of options and their effects on the Group's net assets, financial position and results of operations. Based on initial estimates, the amendments to IFRS 16 will significantly affect the consolidated financial statements of 11880 Solutions AG.

The introduction of IFRS 16 Leases is expected to bring about significant changes in the presentation of the net assets, financial position and results of operations.

However, reliable quantitative results are not yet available at this time.

IFRIC 23 Uncertainty over Income Tax Treatments

The IFRIC 23 Uncertainty over Income Tax Treatments interpretation published by the IFRS IC contains provisions concerning the recognition and measurement of tax risk positions and thus closes relevant existing loopholes in IAS 12 Income Taxes.

The published interpretation also includes references to existing obligations concerning explanatory notes in accordance with IAS 1.122 and IAS 1.125 – 1.129 for discretionary decisions, assumptions and estimates made while accounting for tax risk positions. Reference is also made to the provisions of IAS 12.88 and the obligation to indicate any contingent tax assets and liabilities.

The interpretation was published on 7 June 2017. The mandatory date of initial application for IFRIC 23 is 1 January 2019; however, voluntary early application is permitted – once the corresponding disclosure and endorsement has taken place. The amendments have not yet been transposed into EU law.

We are currently analysing the effects on the Group's net assets, financial position and results of operations.

Amendments to the Conceptual Framework

The IASB issued a revised version of its Conceptual Framework in March 2018. It contains revised definitions of assets and liabilities, and new guidance on measurement and derecognition, reporting and disclosures. In the revision, the IASB limited itself to topics that had not previously been explicitly covered or contained obvious loopholes.

The revised Conceptual Framework was issued in March 2018 and – subject to EU endorsement – must be applied for annual periods beginning on or after 1 January 2020. The IASB is already applying the new Conceptual Framework.

We are currently analysing the effects on the Group's net assets, financial position and results of operations.

Amendments to IAS 19 Employee Benefits – Plan Amendment, Curtailment or Settlement

In February 2018, the IASB issued Amendments to IAS 19 concerning the accounting of plan amendments, curtailments and settlements. The amendments stipulates the basis on which to determine the current service cost and the net interest expense (income) for the period between plan amendment and the end of the reporting period.

The amendments must be applied for annual periods beginning on or after 01 January 2019. The standard has yet to be adopted by the EU.

At the present time, we do not expect the amendments to materially affect the Group's net assets, financial position and results of operations.

Amendments to IAS 28 Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures

The IASB issued amendments to IAS 28 in October 2017. The amendments to IAS 28 clarify that IFRS 9 must be applied to long-term investments in associates or joint ventures that are not accounted for using the equity method.

Subject to adoption by the EU, the amendments must be applied retrospectively and become effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted.

To date, the 11880 Group has no investments in associates and joint ventures.

Annual improvements to IFRS – 2015-2017 cycle
These include clarifications concerning:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangements
- IAS 12 Income taxes
- IAS 23 Borrowing costs

The amendments were issued in December 2017. The amendments must be applied from 1 January 2019. The amendments have not yet been transposed into EU law.

At the present time, we do not expect the amendments to materially affect the Group's net assets, financial position and results of operations.

IFRS 17 Insurance Contracts
IFRS 17 was issued by the IASB in May 2018 and supersedes the previously applicable IFRS 4 Insurance Contracts. It must be applied for annual periods beginning on or after 1 January 2021.

As the new standard does not regulate the accounting treatment of insurance contracts by the policyholder and the 11880 Group does not act as an insurer, no effects on the Group's net assets, financial position and results of operations are expected.

4. Restructuring measures

In August 2017 a detailed and formal restructuring plan for moving the entire Producing business from Rostock to Essen as of 31 October 2017 and its integration into the Customer Care unit there starting on 1 November 2017 were announced. The aim of this move was to leverage synergy effects arising from the direct proximity and cooperation with the Customer Care unit in Essen. The restructuring expenses incurred for this move as of 30 June 2018 amount to EUR 0 thousand (2017: EUR 473 thousand). The measure was completed in the 2018 financial year.

The restructuring plan initiated in October 2015 aimed at the discontinuation and closure of the entire field sales unit as of 31 December 2015 was largely completed in the 2016 financial year. By carrying out these restructuring measures in the field sales unit, the Group responded to the Company's challenging economic situation and focused on the telesales distribution channel as part of a new sales strategy. As of 30 June 2018, the restructuring obligation presented in the consolidated statement of financial position totalled EUR 0 thousand (31 December 2017: EUR 12 thousand).

5. Segment reporting

For the purpose of management control, the 11880 Solutions Group divides its activities into two operating segments, Directory Assistance and Digital.

The two segments' main key performance indicators for operations are revenues and EBITDA (earnings before interest, taxes, depreciation and amortisation).

The accounting principles for the segments essentially match those described in the consolidated financial statements for the year ended 31 December 2017. However, the new provisions of IFRS 15 Revenue from Contracts with Customers have to be applied since 1 January 2018.

There were no intersegment revenues in the first six months of the current financial year or in the same period of the preceding year.

The table below shows the revenues and earnings of the group's operating segments:

1 January – 30 June 2018 in EUR thousand	**Directory Assistance**	**Digital**	**Group**
Revenues			
Revenues from transactions with external customers	6,120	14,724	20,844
Total revenues	**6,120**	**14,724**	**20,844**
Earnings			
EBITDA	-455	528	73
Depreciation and amortisation*	-870	-1,973	-2,843
Net financial income			260
Earnings before income taxes			**-2,509**

1 January – 30 June 2017 in EUR thousand	**Directory Assistance**	**Digital**	**Group**
Revenues			
Revenues from transactions with external customers	7,226	13,169	20,395
Total revenues	**7,226**	**13,169**	**20,395**
Earnings			
EBITDA	-86	-618	-704
Depreciation and amortisation	-932	-3,051	-3,983
Net financial income			128
Earnings before income taxes			**-4,559**

*The new financial reporting standard IFRS 15 has been applied since 1 January 2018. The previous year's figures have not been adjusted. For further information, please refer to section 6.

6. Recognition of contract costs as an asset

The application of IFRS 15 Revenue from Contracts with Customers requires contract costs, i.e. expenses incurred for the initiation of a contract and expenses for the fulfilment of a contract, to be recognised as an asset and amortised over the estimated customer loyalty period if appropriate criteria are met. Contract costs whose amortisation period would not exceed one year are generally expensed immediately.

According to IFRS 15, this results in changes concerning the internally generated customer websites that were previously recognised as current and non-current intangible assets in accordance with IAS 38 Intangible Assets (costs to fulfil a contract) with respect to both the recognition of the costs to fulfil a contract and the amortization shown in the income statement.

In comparison to the group's consolidated financial statements for 2017, capitalised sales commissions continue to appear as separate group of non-tangible assets in the group's financial statements.

The customer websites are no longer included in current and non-current intangible assets but in other non-current assets, taking into account average contractual terms. In the first half of 2018, we re-estimated the averaged customer loyalty period. The amortisation of costs to fulfil a contract is no longer included in the amortisation of intangible assets, but is shown under cost of revenues as "amortised contract costs". The amortisation reclassified from amortisation of intangible assets to amortised contract costs, taking into account average contract terms, amounted to EUR 138 thousand in the first half of 2018.

7. Financial instruments

The transition from IAS 39 Financial Instruments: Recognition and Measurement to the new standard IFRS 9 Financial Instruments results in a reclassification of the securities held by the 11880 Group. The following table shows for each class of financial assets and financial liabilities the original measurement category and the carrying amount under IAS 39 and, in comparison, the new measurement category and the carrying amount under IFRS 9.

Significant changes result from the reclassification of the securities previously shown in the „Available-for-sale financial assets" category in accordance with IAS 39 and measured at fair value through other comprehensive income. According to IFRS 9, these securities are classified as „at fair value through profit or loss (FVtPL)". This results in a change in the disclosure of measurement effects from measurement at fair value. Changes in fair value previously recognised in other comprehensive income are now recognised directly in net profit or loss. This has an effect of EUR 114 thousand for the first half of 2018.

The new classification results on the one hand from the identification of the business model on which the financial assets are based. Here the 11880 Group follows an "hold and sell" investment policy. On the other hand, the analysis of the cash flow criterion shows that payments on the investment are not limited to interest and principal payments. The adoption of IFRS 9 does not result in any changes in the carrying amounts of financial assets.

The following table shows how the carrying amounts of financial assets measured at fair value are classified in the fair value hierarchy. The fair value of the instruments assigned to Level 1 corresponds to the nominal value multiplied by the prices quoted on the reporting date. In the first six months of the current financial year, there were no movements between the levels of the fair value hierarchy.

	Measurement categories		Carrying amounts as of 31.12.2017 / 01.01.2018		
	IAS 39	**IFRS 9**	**IAS 39**	**IFRS 9**	**Difference**
ASSETS					
Cash and cash equivalents	Loans and receivables (LaR)	Amortised cost (AR)	708	708	0
Trade accounts receivable At amortised cost	Loans and receivables (LaR)	Amortised cost (AR)	9,684	9,684	0
Securities At fair value through other comprehensive income	Available-for-sale financial assets (AfS)	Fair value through profit or loss (FVtPL)	0	5,302	5,302
		Fair value through other comprehensive income with recycling (FVtPL)	5,302	0	-5,302
Current other financial assets At amortised cost	Loans and receivables (LaR)	Amortised cost (AR)	149	149	0
EQUITY AND LIABILITIES					
Trade accounts payable At amortised cost	Financial liabilities at amortised cost (FLAC)	Amortised cost (AR)	435	435	0

As of 30 June 2018 in EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Securities fair value through profit or loss (FVtPL)	1,723	–	–	1,723

As of 30 June 2017 in EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Securities fair value through profit or loss (FVtPL)	6,288	–	–	6,288

As of 31 December 2017 in EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Securities at fair value through other comprehensive income (AfS)	5,302	–	–	5,302

8. Related party transactions

Business transactions carried out in the current financial year between 11880 Solutions AG and its subsidiaries that are considered affiliated companies were eliminated in consolidation and are not explained in these notes to the financial statements. As of 30 June 2018, there were no other companies considered related parties.

Related parties here primarily comprise the members of the Management Board and the Supervisory Board. In the current financial year, there were no transactions between the 11880 Solutions Group and members of the Management Board or the Supervisory Board extending beyond the existing employment, service or appointment relationship or the contractual remuneration for this relationship.

9. Disclosure regarding the corporate bodies of 11880 Solutions AG

Change in the Supervisory Board

Mr. Antonio Converti and Ms. Gabriella Fabotti resigned their posts as members of the Supervisory Board with effect from 22 February 2018. In accordance with the recommendations of the Nomination Committee, the Supervisory Board proposed that Mr. Ralf Ruhrmann, residing in Oberhausen, Germany, auditor & tax advisor / Partner at RLT Ruhrmann Tieben & Partner mbB, and Mr. Helmar Hipp, residing in Stuttgart, Germany, Managing Director at Cyberport GmbH, be elected as shareholder representatives to replace the Supervisory Board members who resigned on 22 February 2018. At the Annual General Meeting on 12 June 2018, Mr. Ralf Ruhrmann and Mr. Helmar Hipp were elected as members of the Supervisory Board.

10. Report on post-balance sheet date events

No reportable events of particular significance occurred between the 30 June 2018 interim reporting date and the time of preparation of these interim financial statements.

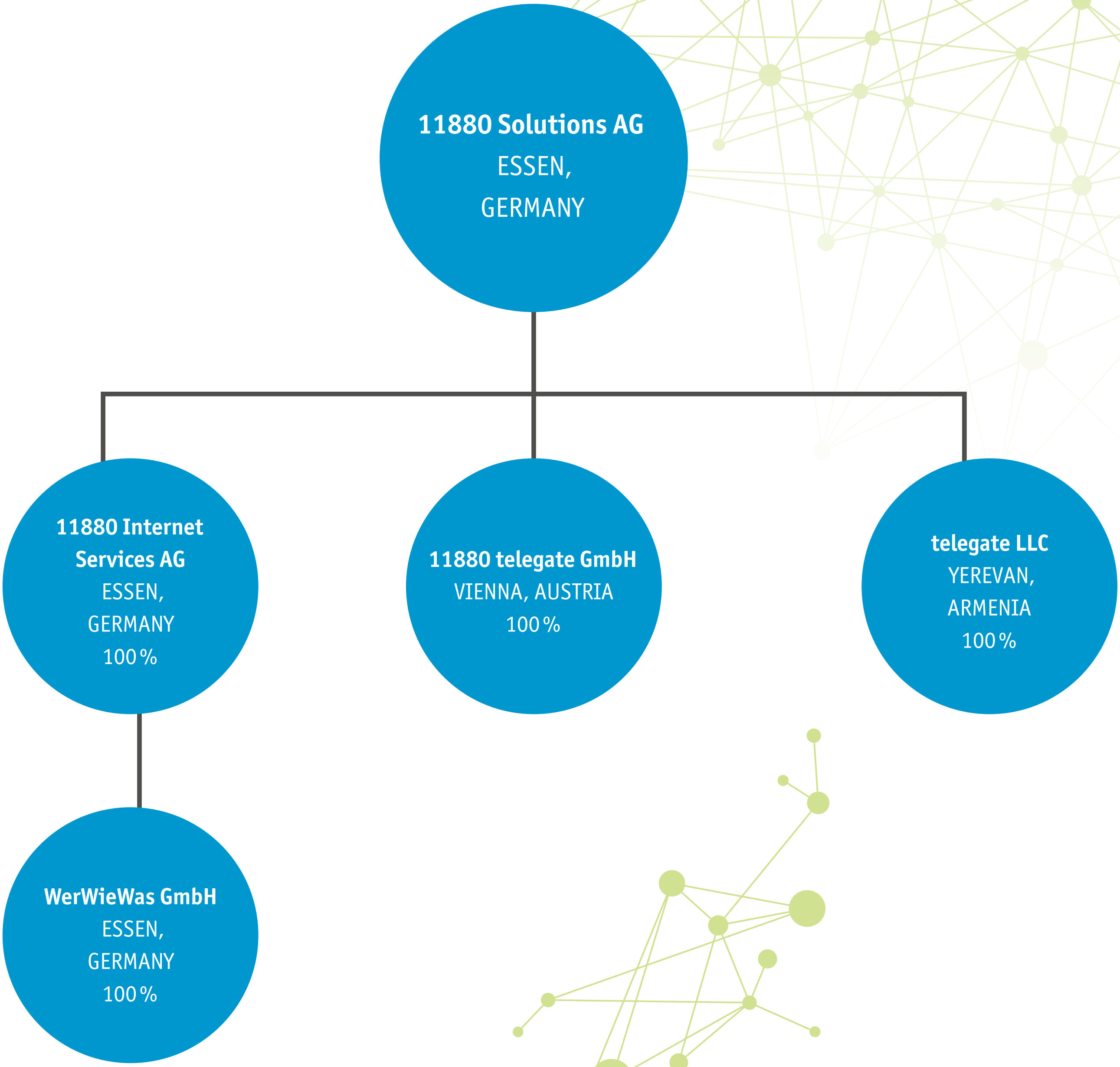
11. German Corporate Governance Code

The joint declaration of compliance by the Management Board and Supervisory Board of 11880 Solutions AG in accordance with section 161 AktG relating to the German Corporate Governance Code was made on 21 December 2017. The exact wording of the declaration can be retrieved under https://ir.11880.com/corporate-governance/entsprechenserklaerung.

Essen, 3 August 2018

Christian Maar
Chief Executive Officer

Corporate structure 11880 Solutions Group



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